

OPTIONS FOR GOLDEN TILEFISH LONGLINE CATCH SHARES MARCH 2012

Background: In Amendment 18B, the South Atlantic Council is considering an endorsement program to address increasing participation in the longline component of the commercial golden tilefish fishery. Although an endorsement program would establish a cap on participation, the program would exclude: fishermen who have entered the longline fishery in recent years and do not meet the eligibility criteria for landings history; smaller operations that do not have high levels of landings; fishermen with historical landings who have not participated at a high level in recent years but may want to re-enter the fishery; and fishermen in areas who may not have the opportunity to harvest golden tilefish because the quota is met earlier due to effort in other areas.

The purpose of this paper is to explore options for catch shares as an alternative to endorsements to address overcapacity in the golden tilefish longline sector.

Table 1. (From Table 4-10 from Amendment 18B). Number of Snapper Grouper permits with golden tilefish landings with longline from 2006-2010 and estimated number of permits that would qualify for a longline endorsement based on homeport of associated vessel.

	With any landings 2006-2010	Sub-alt 2a	Sub-alt 2b	Sub-alt 2c	Sub-alt 2d	Sub-alt 2e	Sub-alt 2f (Pref)
FLORIDA	22	13	9	8	10	7	10
NORTH CAROLINA	3	1	0	0	0	0	0
SOUTH CAROLINA	4	3	3	3	2	1	4
TOTAL	29	17	12	11	12	8	14

Table 2. Percent of golden tilefish longline landings for each state from 1998-2010.

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FL	27.5%	75.7%	73.6%	60.7%	53.3%	54.0%	41.9%	73.7%	68.5%	90.1%	92.9%	92.2%	91.2%
SC	72.6%	22.1%	20.8%	31.0%	30.4%	35.6%	27.2%	22.6%	31.5%	9.9%	7.1%	7.8%	8.8%
NC		2.2%	5.5%	8.4%	16.3%	10.4%	30.9%	3.7%					
Other					0.0%								

* Values have been combined in some years to maintain confidentiality.

Table 3. Golden tilefish longline participation 2000-2011.

Source: Coastal logbooks, 2/15/2012

	# of vessels
2000	26
2001	28
2002	24
2003	17
2004	20
2005	13
2006	11
2007	16
2008	13
2009	12
2010	20
2011	18

Table 4. Frequency distribution of golden tilefish longline landings by vessel, 2011.

Source: Coastal logbook, 2/15/2012

lbs gw	# of vessels
<10,000	4
10,000-20,000	5
20,001-25,000	3
25,001-30,000	3
>30,000	3

Examples of different types of quota systems are shown below. However, this paper focuses on individual quotas and includes options for eligibility and initial allocation using longline landings information.

(A) Individual Quotas

A traditional individual transferable quota (ITQ) system in which each eligible fisherman receives a percentage of the longline ACL based on landings in a determined time period or based on other criteria (e.g., equal allocation or 50/50 formula), which is allocated in annual pounds depending on the commercial quota for that year. The shareholder can only harvest the amount that he/she is allocated each year and must stop when the individual quota is reached, or purchase shares or lease annual pounds from another shareholder.

(B) State Quotas

Each state would receive an allocation of the commercial ACL based on landings for that state in a determined time period or based on other criteria (e.g., number of permits in each state, equal allocation, 50/50 formula). The percentage that the state receives during initial allocation will translate into annual pounds depending on the longline quota in each year. Each state would be responsible for monitoring landings and annual pounds accounts. When the state quota is reached, all associated vessels fishing under that state's quota must stop harvest.

(C) Community Quotas or Sectors/Co-ops

A self-organized group of fishermen would receive a collective allocation of shares based on the members' landings history in a determined time period. When the group reaches the collective quota, all members must stop harvest or lease annual pounds from another group.

(D) TURFs (Territorial Use Rights Fisheries)

Fishermen would be assigned to designated fishing areas that would each have a quota based on members' landings in a determined time period or based on other criteria. When the quota for that area is met, all fishermen assigned to the area must stop fishing or lease annual pounds from another group. This is similar to Community Quotas/Sectors/Co-ops but includes a spatial component by designating fishermen to a specific fishing area.

Individual Transferable Quotas for the Golden Tilefish Longline Sector

Individual transferable quota (ITQ) system with individual allocations of the longline ACL. Allocations can be based on landings history in a specific time period, equal allocations, or use a formula in which a portion is based on landings and a portion is equally allocated to all eligible participants.

ADVANTAGES

- Familiar system in the U.S. and Southeast
- Reduce derby conditions and lengthen the season
- Minimize market glut; may increase product price and improve product quality by providing fresh fish over a longer period
- Less competition can lead to more economically viable fishing operations
- More equitable way to maintain participation of small vessels and newer participants than other management measures (such as endorsements)
- Additional reporting/monitoring would provide better data for management and stock assessments
- Collection of cost recovery may help to defer administrative and enforcement costs
- Individual accountability
- Each recipient can plan how to use the quota throughout the fishing year
- Transferability would allow market to decide distribution (with exceptions through a cap on shares/annual pounds)
- Transferability would provide flexibility to increase/decrease harvest in a given year
- Reduce potential for commercial ACL overages

CHALLENGES

- Additional capital required to expand operation size or enter the fishery
- Required share cap will limit some operations' growth
- Consolidation and concentration may impact fleet diversity
- Changes in share distribution in certain areas may affect communities and fishery infrastructure
- Latent shares possible without a use-or-lose policy
- May increase costs to fishermen for additional reporting/monitoring
- Cost recovery program required for LAPP
- Allocation may favor larger fishing operations if based on historical landings history
- Broad opposition to catch shares in the South Atlantic region

1) Eligibility Criteria

When selecting eligibility criteria, the South Atlantic Council would be selecting the pool of individuals who would receive initial allocation of shares.

Shareholders can change over time as individuals enter the golden tilefish portion of the snapper grouper fishery and buy shares, or sell all shares and exit the fishery. There would be no maximum number of participants. A share cap would establish a minimum number of participants (e.g., if the share cap is 20% there could be no fewer than 5 shareholders).

The MSA requires Councils to consider both current and historical harvests when allocating catch shares. Other requirements that should also be considered when allocating include: 1) employment in the harvesting and processing sectors, 2) investments in, and dependence upon, the fishery; and 3) the current and historical participation of fishing communities.

Questions to Consider:

- Do you want newer participants to be included in initial allocation?
- Do you want a smaller pool of eligible participants to increase individual allocations?
- Is it important to have more recipients with smaller allocations, or fewer recipients with larger allocations?

Example	Expected Number to Receive Initial Allocation	By State
- any landings 2006-2010	29	FL-22 NC- 3 SC- 4
- any landings 2006-2008	22	FL- 17 NC- 2 SC- 3
- any landings 2008-2010	24	FL- 20 NC- 2 SC - 2
- landings in at least two years between 2006-2010	17	FL- 14 SC- 3

Examples were selected from the period of 2006-2010, which is the time period considered for longline endorsements in Amendment 18B.

* In general, there is a core group of about 8 permits with substantial landings most years that would likely qualify for any eligibility criteria. The remainder of each group changes somewhat based on the qualifying period.

2) Initial Allocation

* Expected outcomes would differ based on the longline ACL and on who is eligible to receive allocation. *These are just some examples* of formulas but the outcomes are based on actual catch data. Remember, there are a million possible combinations of eligibility and initial allocation (think earlier versions of Golden Crab Am6).

The following examples include 1) based on landings history 2006-2010, 2) 50% equal allocation and 50% based on landings history 2006-2010, and 3) 25% equal allocation and 75% based on landings history 2006-2010.

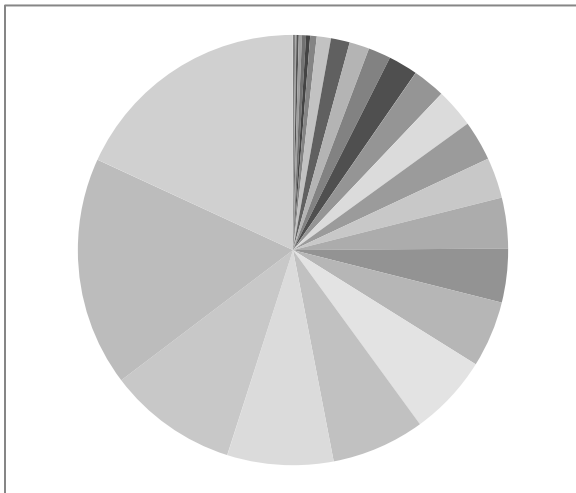
(A) Eligibility Criteria: any landings 2006-2010 (29 permits)

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs].

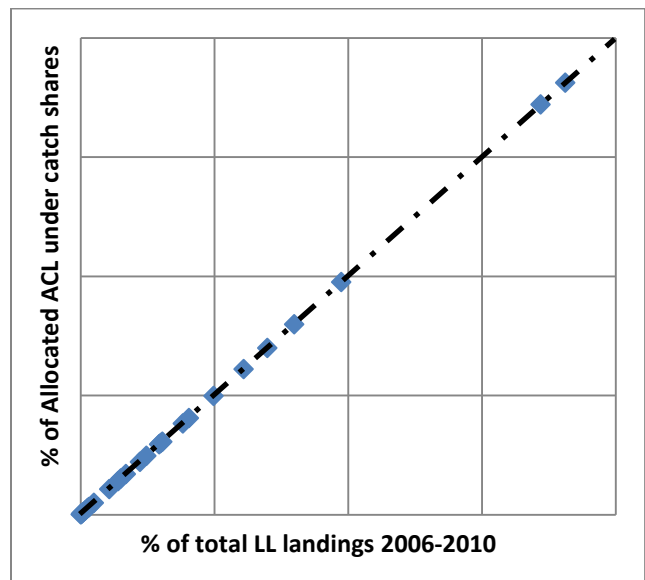
Allocation based on landings history 2006-2010- everyone gets quota shares and pounds of allocation based on their landings history.

86.5% Florida

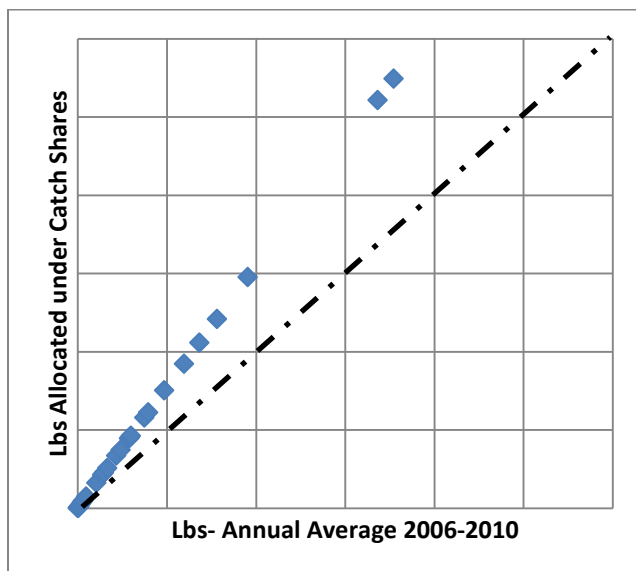
13.5% South Carolina and North Carolina (mostly SC)



Individuals



Above line = % ACL allocated > % of all LL landings
Below line = % ACL allocated < % of all LL landings



Above line = allocation > 2006-2010 average
Below line = allocation < 2006-2010 average

Note:

Average longline landings from 2006-2010 is **392,066 lbs.**

The value used as the longline ACL to calculate the allocations is **454,688 lbs.**

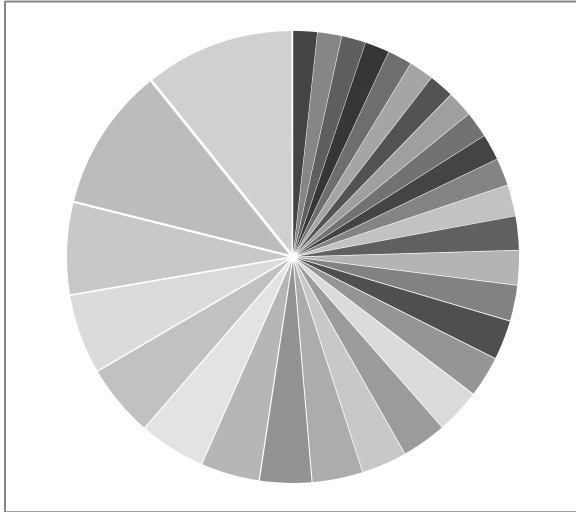
50% equal allocation and 50% allocation based on landings 2006-2010

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

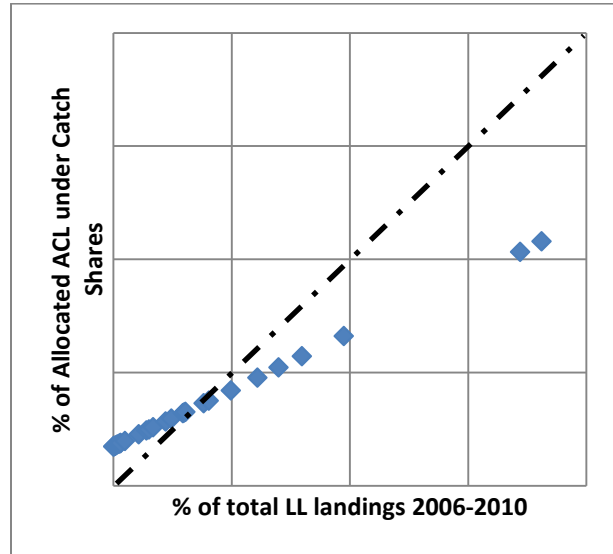
Eligibility: **any landings 2006-2010** (29 permits) - everyone gets at least 1.7% shares equivalent to **7,839 lbs** based on a 454,688 lb longline ACL.

81.2% Florida

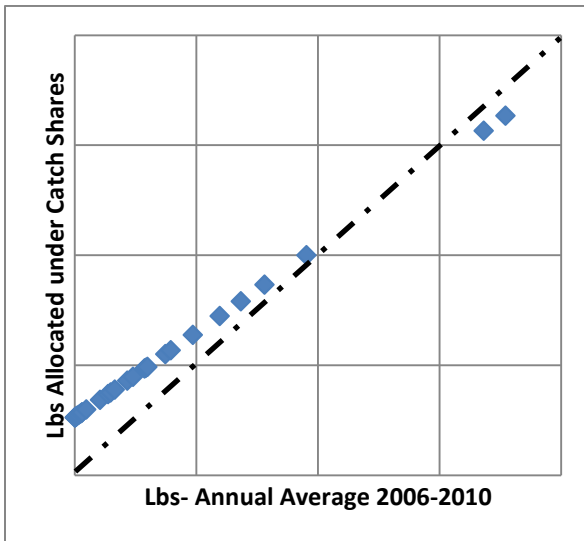
18.8% South Carolina and North Carolina (mostly SC)



Individuals



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Note:

Average longline landings from 2006-2010 is **392,066 lbs.**

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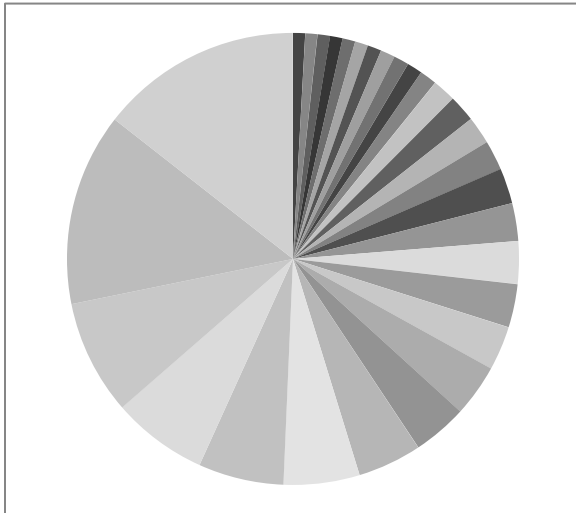
25% equal allocation and 75% allocation based on landings 2006-2010

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

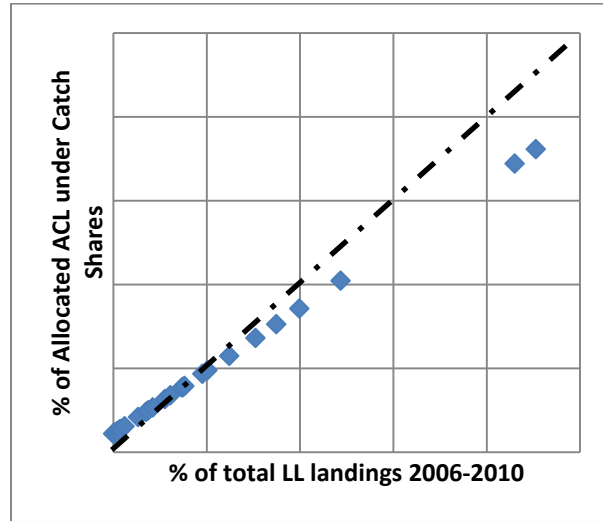
Eligibility: **any landings 2006-2010** (29 permits) - everyone gets at least 0.8% of shares equivalent to **3,920 lbs** based on a 454,688 lb longline ACL.

83.9% Florida

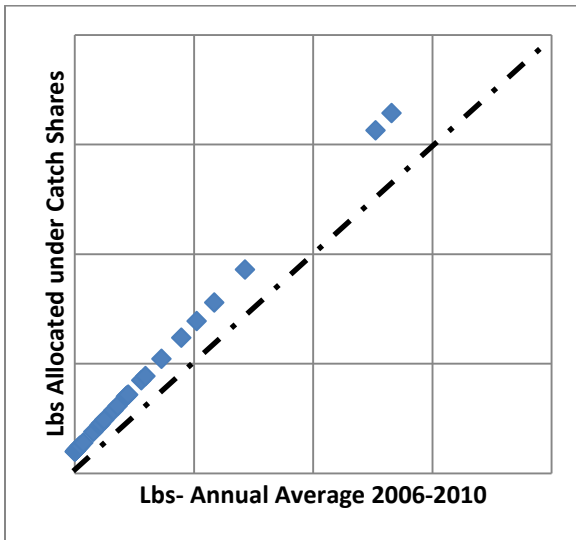
16.1% South Carolina and North Carolina (mostly SC)



Individuals



Above line = % ACL allocated > % of all LL landings
Below line = % ACL allocated < % of all LL landings



Above line = allocation > 2006-2010 average
Below line = allocation < 2006-2010 average

Note:

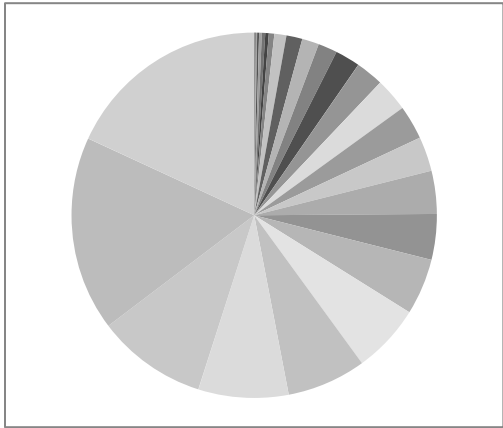
Average longline landings from 2006-2010 is **392,066 lbs**.

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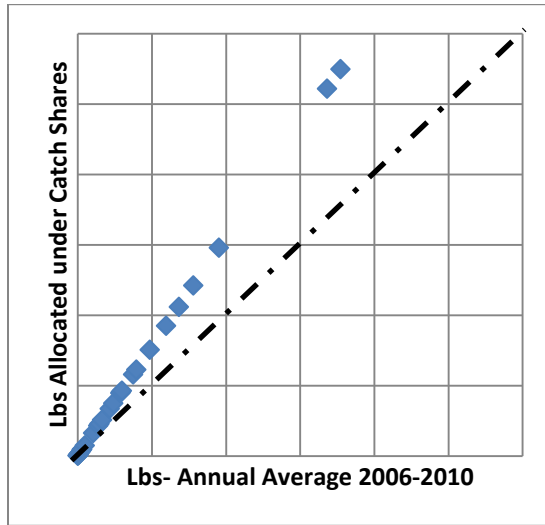
Comparison of allocation formulas

Eligibility: any landings between 2006-2010 (29 permits)

Allocation: Landings history 2006-2010

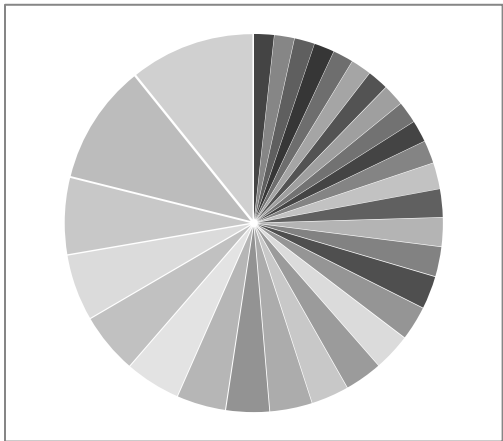


Individuals

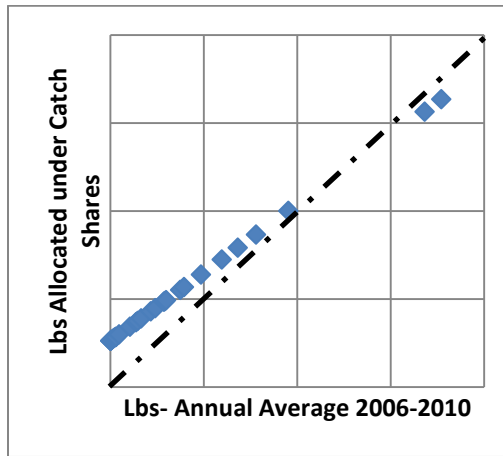


Above the line = lbs allocated > annual average

50% equal allocation and 50% landings history 2006-2010

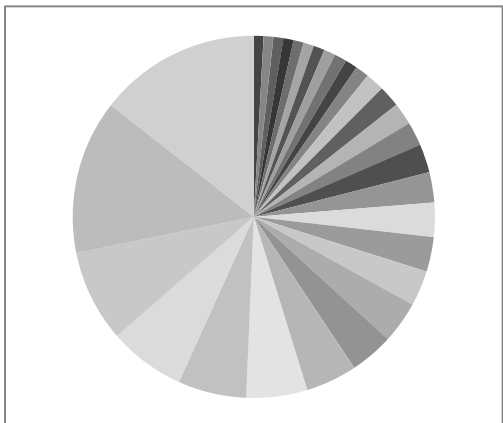


Individuals

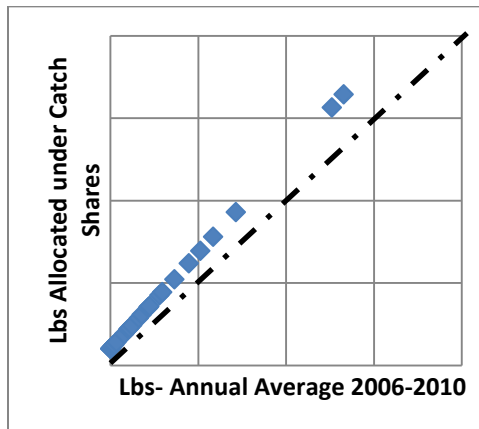


Above the line = lbs allocated > annual average

25% equal allocation and 75% landings history 2006-2010



Individuals



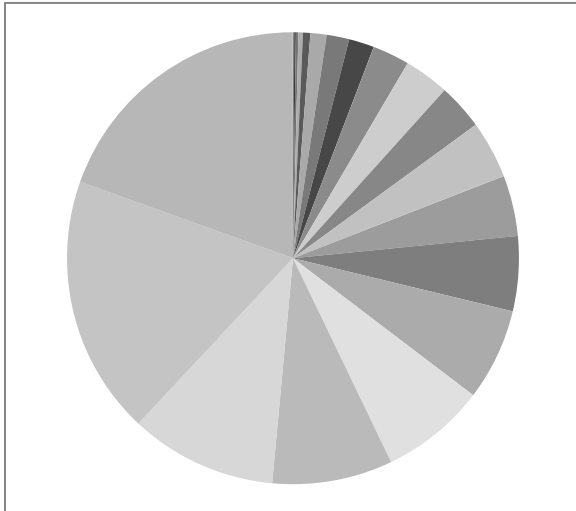
Above the line = lbs allocated > annual average

(B) Eligibility Criteria: any landings 2006-2008 (22 permits)

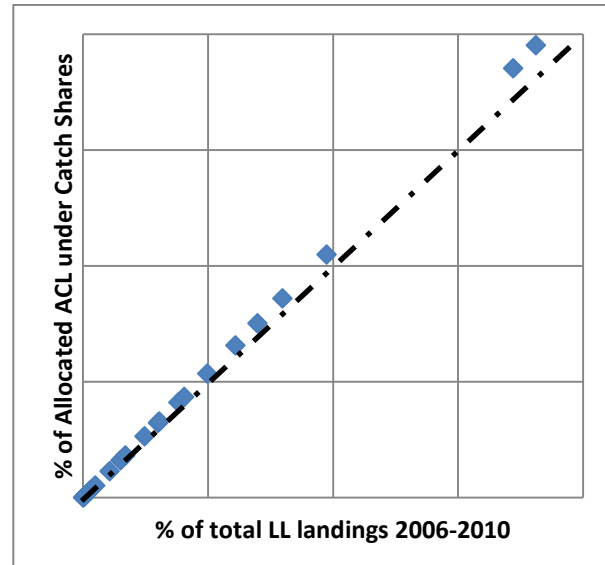
This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

Allocation based on landings history 2006-2010- Everyone gets quota shares and pounds of allocation based on their landings history.

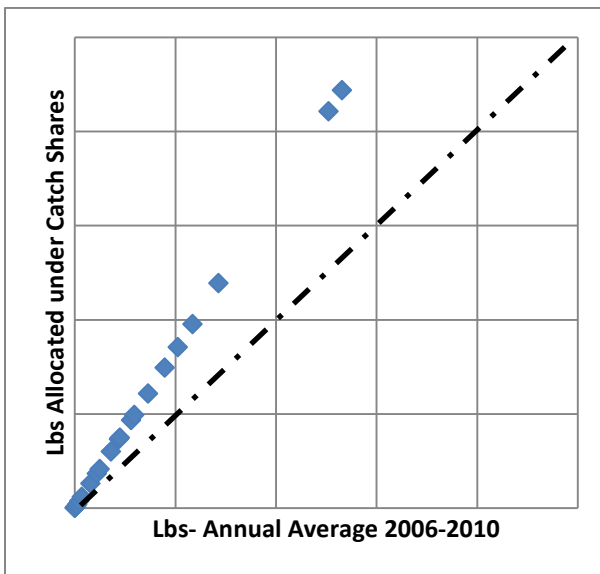
88.7% Florida
 11.3% South Carolina and North Carolina (mostly SC)



Individuals



Above line = % ACL allocated > % of all LL landings
 Below line = % ACL allocated < % of all LL landings



Above line = allocation > 2006-2010 average
 Below line = allocation < 2006-2010 average

Note:

Average longline landings from 2006-2010 is **392,066 lbs.**

The value used as the longline ACL to calculate the allocations is **454,688 lbs.**

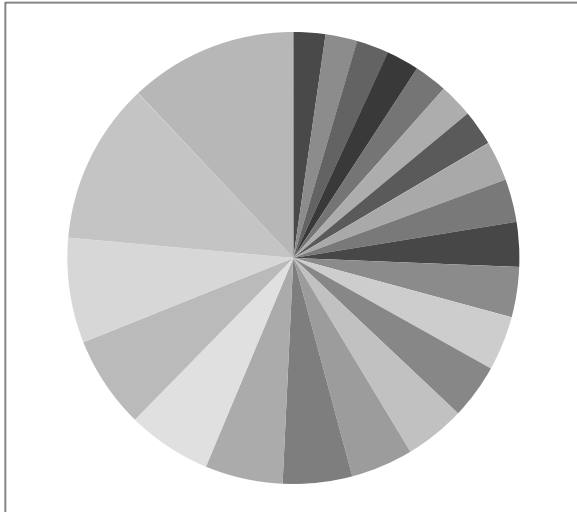
50% equal allocation and 50% allocation based on landings 2006-2008

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

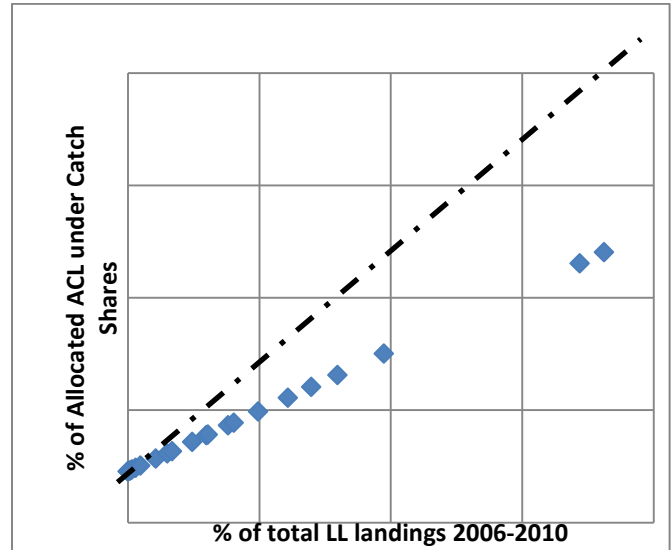
Eligibility: **any landings 2006-2008** (22 permits) - everyone gets at least 2.3% of shares equivalent to **10,334 lbs** based on a 454,688 lb longline ACL

83.0% Florida

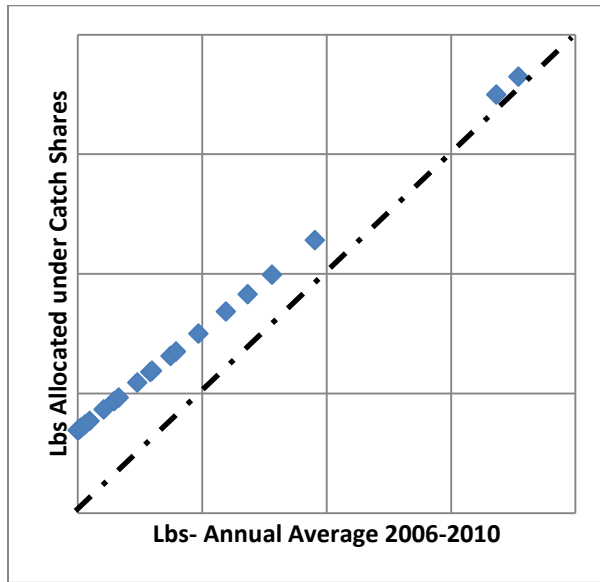
17.0% South Carolina and North Carolina (mostly SC)



Individuals



Above line = % ACL allocated > % of all LL landings
Below line = % ACL allocated < % of all LL landings



Above line = allocation > 2006-2010 average
Below line= allocation < 2006-2010 average

Note:
Average longline landings from 2006-2010 is **392,066 lbs**.
The value used as the longline ACL to calculate the allocations is **454,688 lbs**.

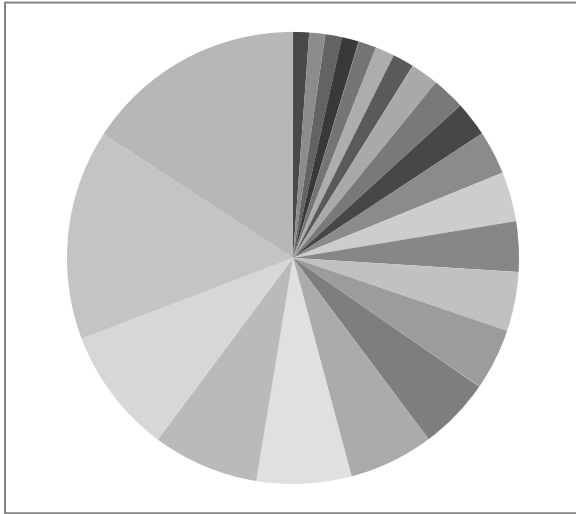
25% equal allocation and 75% allocation based on landings 2006-2008

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

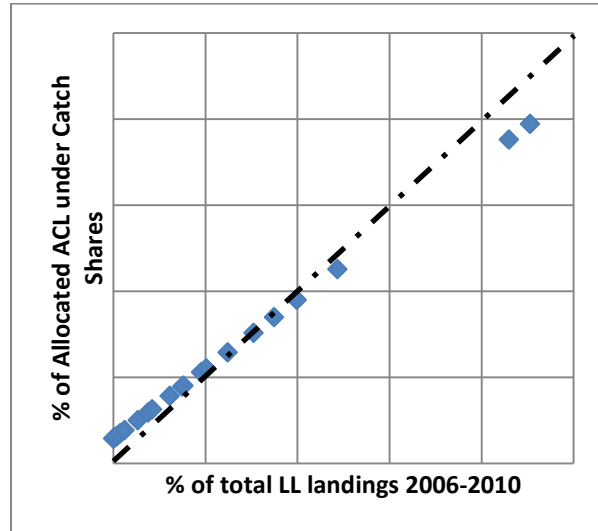
Eligibility: **any landings 2006-2008** (22 permits) - everyone gets at least 1.1% of shares equivalent to **5,167 lbs** based on a 454,688 lb longline ACL

85.85% Florida

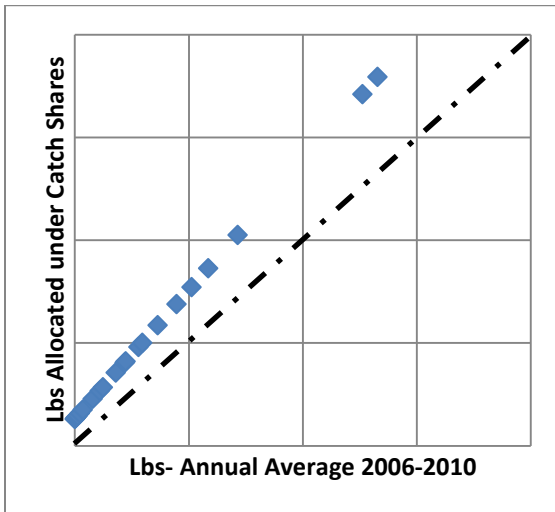
14.15% South Carolina and North Carolina (mostly SC)



Individuals



Above line = % ACL allocated > % of all LL landings
Below line = % ACL allocated < % of all LL landings

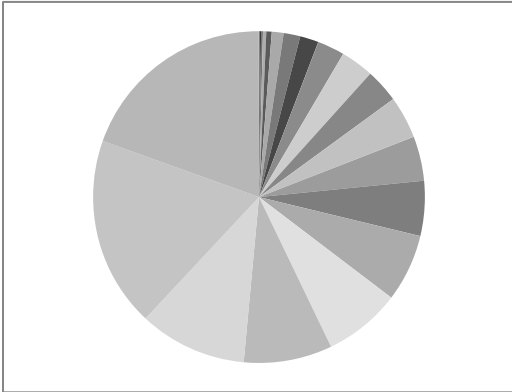


Above line = allocation > 2006-2010 average
Below line = allocation < 2006-2010 average

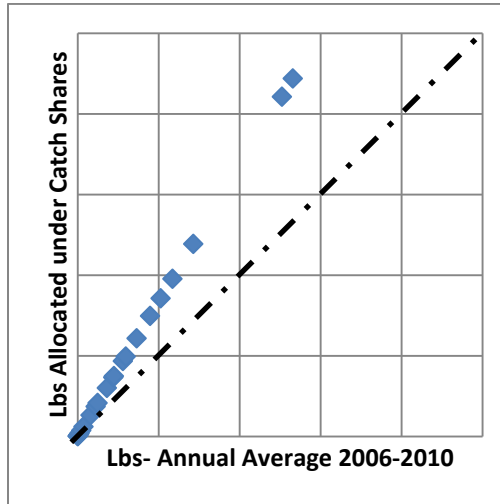
Comparison of allocation formulas

Eligibility: any landings between 2006-2008 (22 permits)

Landings history 2006-2010

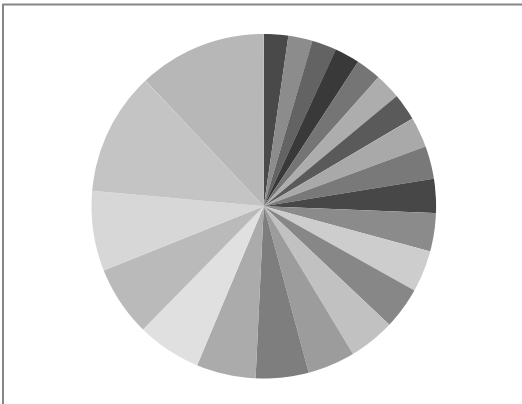


Individuals

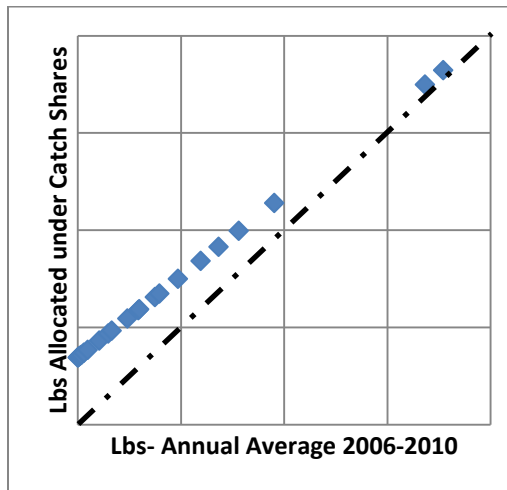


Above the line= lbs allocated >annual average

50% equal allocation and 50% landings history 2006-2010

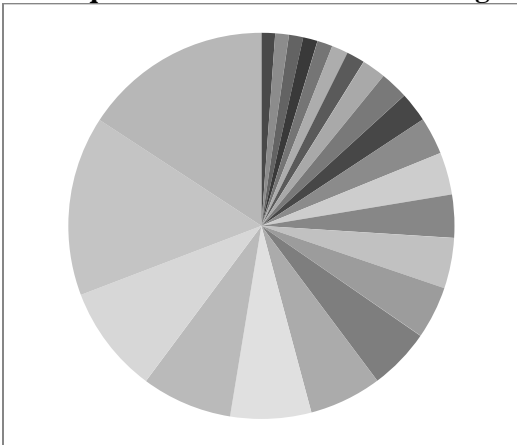


Individuals

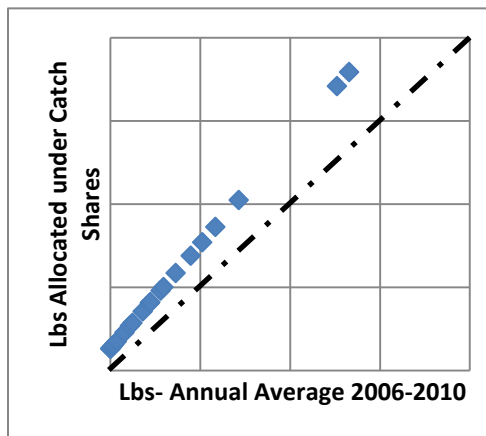


Above the line = lbs allocated >annual average

25% equal allocation and 75% landings history 2006-2010



Individuals



Above the line = lbs allocated >annual average

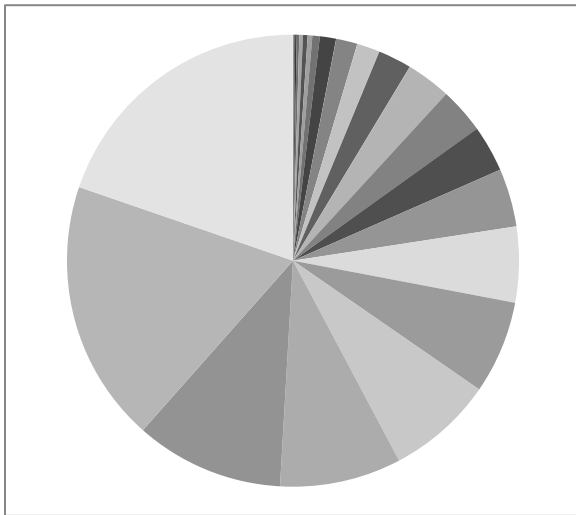
(C) Eligibility Criteria: any landings 2008-2010 (24 permits)

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

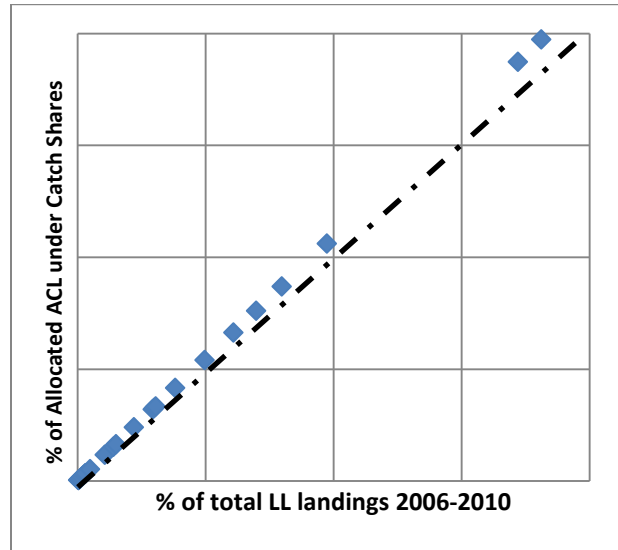
Allocation based on landings history 2006-2010- Everyone gets quota shares and pounds of allocation based on their landings history.

92.4% Florida

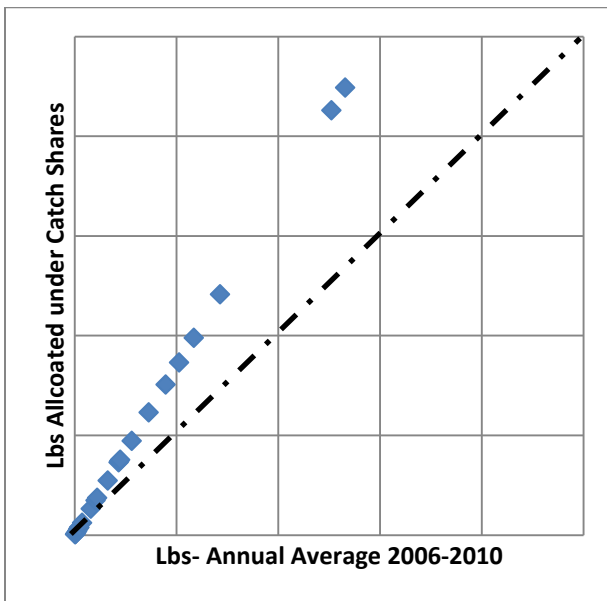
7.6% South Carolina and North Carolina (mostly SC)



Individuals



Above line= % ACL allocated > % of all LL landings
Below line= % ACL allocated < % of all LL landings



Above line = allocation > 2006-2010 average
Below line = allocation < 2006-2010 average

Note:

Average longline landings from 2006-2010 is **392,066 lbs.**

The value used as the longline ACL to calculate the allocations is **454,688 lbs.**

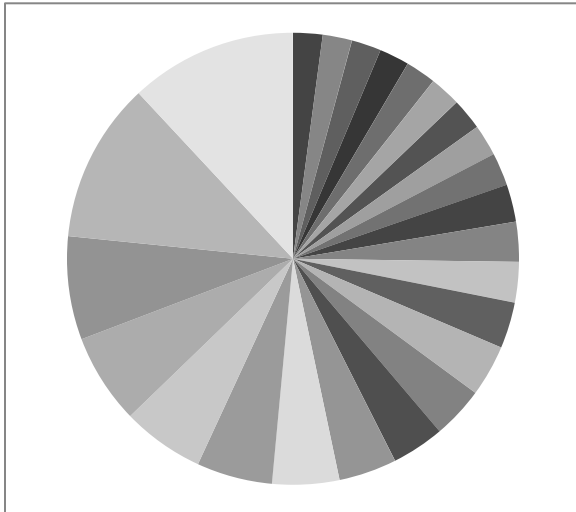
50% equal allocation and 50% allocation based on landings 2008-2010

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

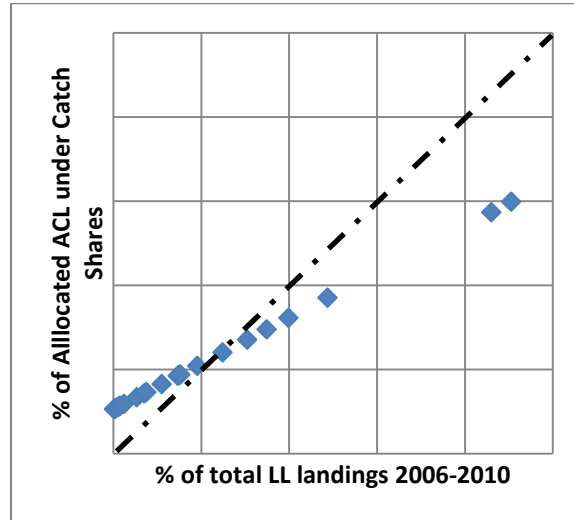
Eligibility: **any landings 2008-2010** (24 permits) - everyone gets at least 2.1% of shares equivalent to **9,473 lbs** based on a 454,688 lb longline ACL

87.9% Florida

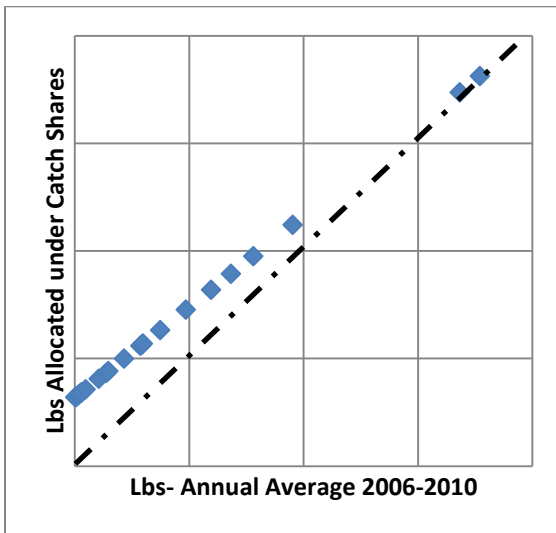
12.1% South Carolina and North Carolina (mostly SC)



Individuals



Above line = % ACL allocated > % of all LL landings
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Above line = allocation > 2006-2010 average
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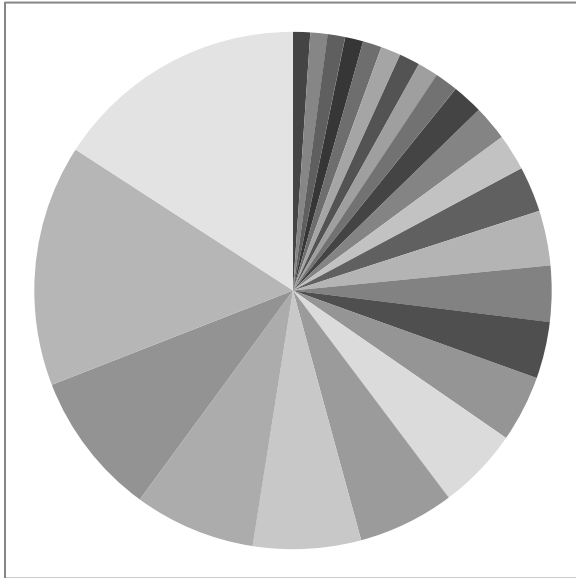
25% equal allocation and 75% allocation based on landings 2006-2010

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

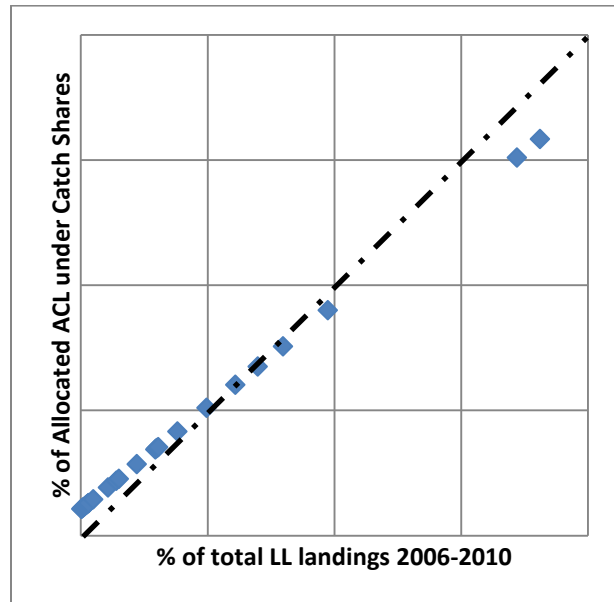
Eligibility: **any landings 2008-2010** (24 permits) - everyone gets at least 1.4% of shares equivalent to **4,736 lbs** based on a 454,688 lb longline ACL

90.1% Florida

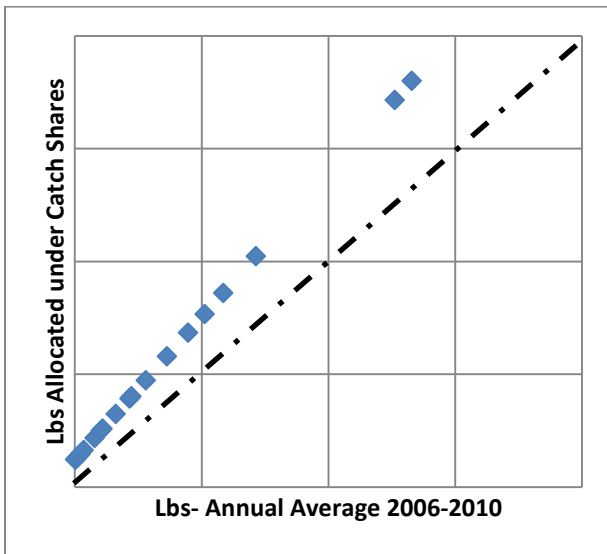
9.9% South Carolina and North Carolina (mostly SC)



Individuals



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Above line = allocation > 2006-2010 average
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Note:

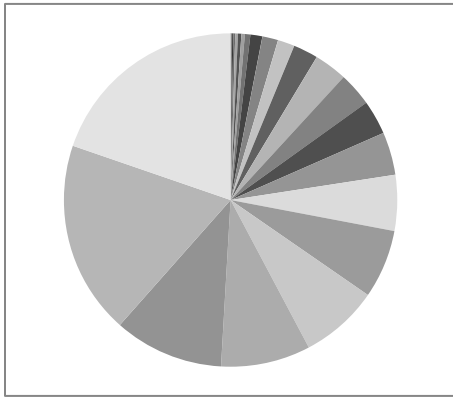
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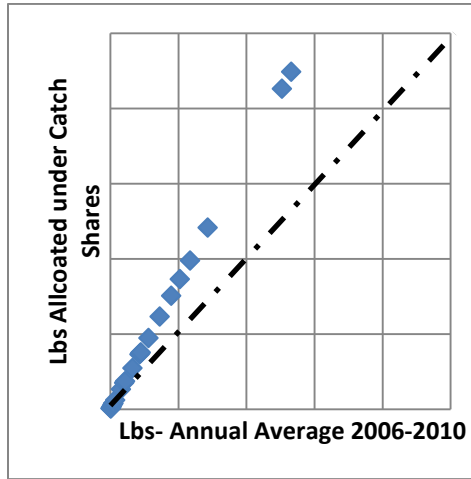
Comparison of allocation formulas

Eligibility: any landings between 2008-2010 (24 permits)

Landings history 2008-2010

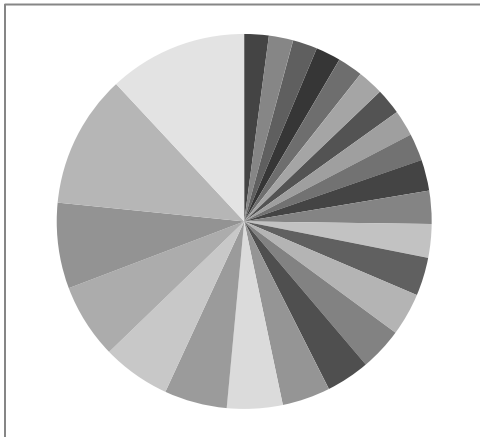


Individuals

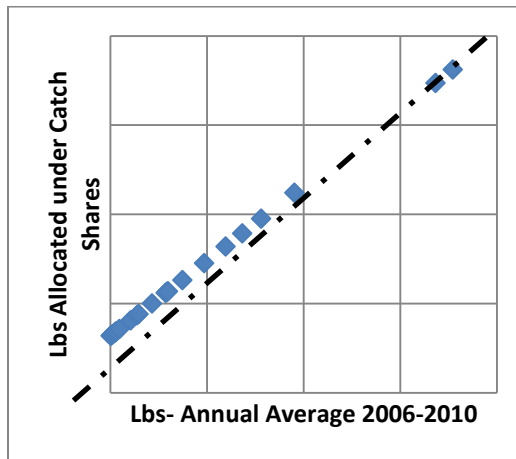


Above the line = lbs allocated > annual average

50% equal allocation and 50% landings history 2008-2010

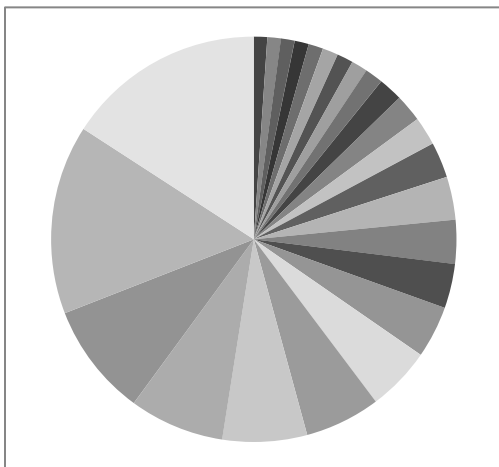


Individuals

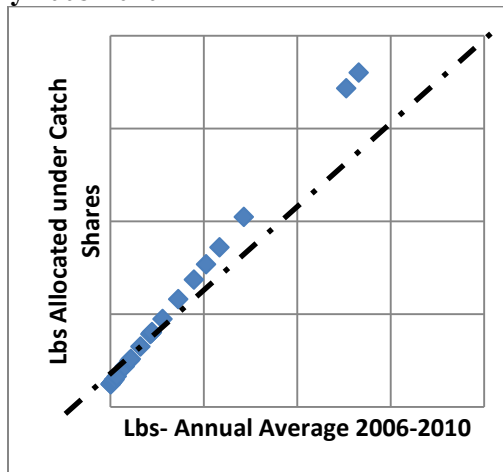


Above the line = lbs allocated > annual average

25% equal allocation and 75% landings history 2008-2010



Individuals



Above the line = lbs allocated > annual average

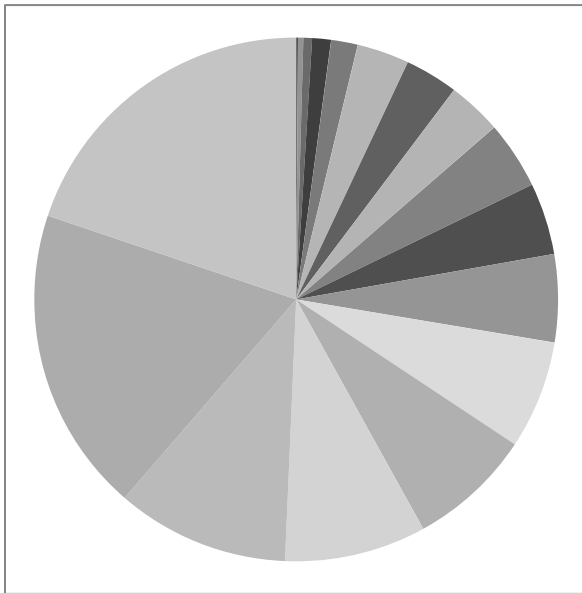
(D) Eligibility Criteria: any landings in at least two years between 2006-2010 (17 permits)

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

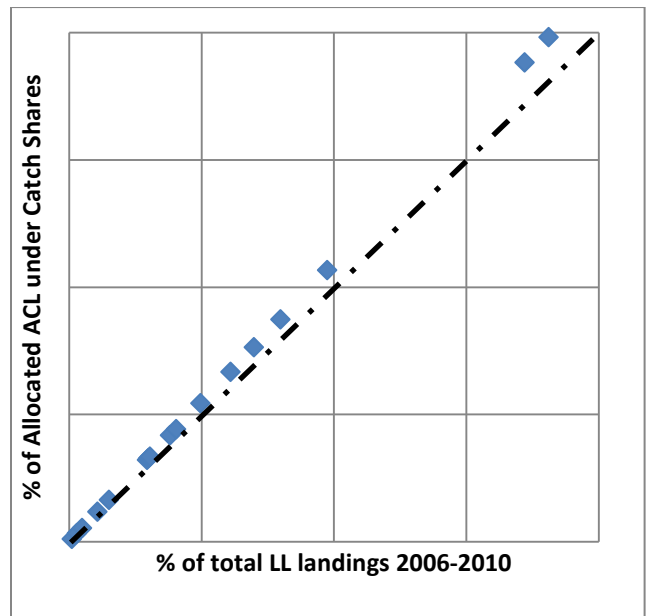
Allocation based on landings history 2006-2010- everyone gets quota shares and pounds of allocation based on their landings history.

88.2% Florida

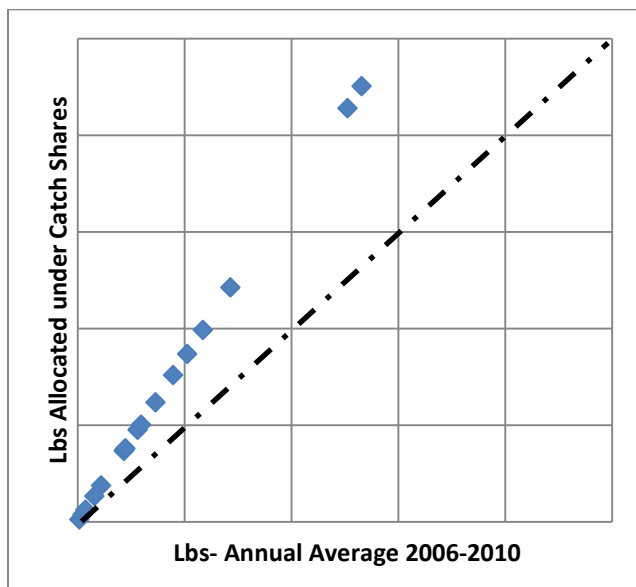
11.8% South Carolina



Individuals



Above line = % ACL allocated > % of all LL landings
Below line = % ACL allocated < % of all LL landings



Above line = allocation > 2006-2010 average
Below line = allocation < 2006-2010 average

Note:

Average longline landings from 2006-2010 is **392,066 lbs.**

The value used as the longline ACL to calculate the allocations is **454,688 lbs.**

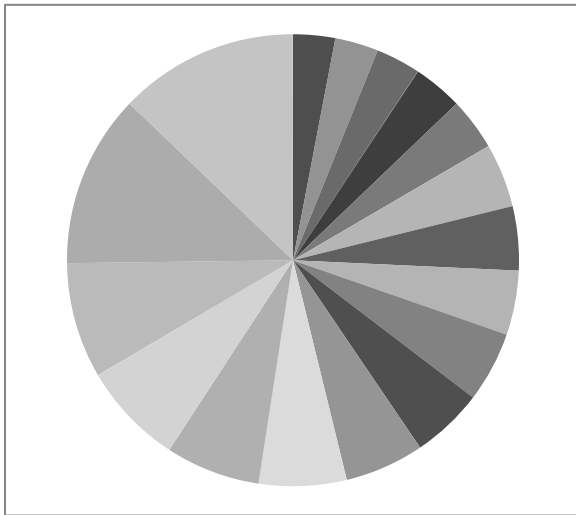
50% equal allocation and 50% allocation based on landings 2006-2010

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

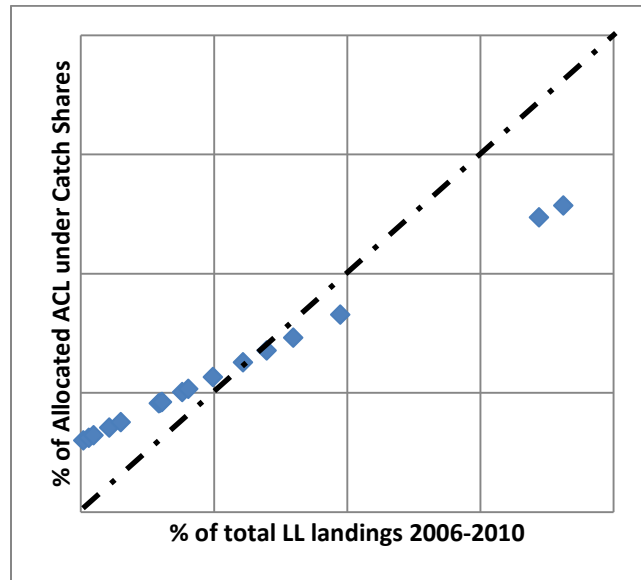
Eligibility: **any landings in at least two years between 2006-2010** (17 permits) - everyone gets at least 2.9% of shares equivalent to **13,373 lbs** based on a longline ACL of 454,688 lbs.

85.3% Florida

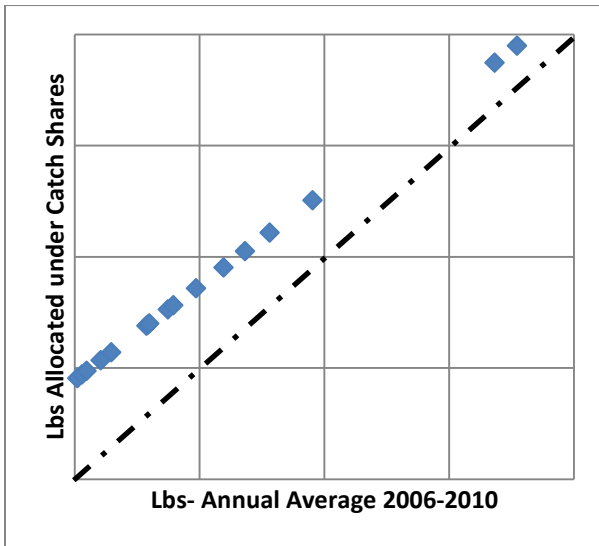
14.7% South Carolina



Individuals



Above line = % ACL allocated > % of all LL landings
 Below line = % ACL allocated < % of all LL landings



Above line = allocation > 2006-2010 average
 Below line = allocation < 2006-2010 average

Note:
 Average longline landings from 2006-2010 is **392,066 lbs**.
 The value used as the longline ACL to calculate the allocations is **454,688 lbs**.

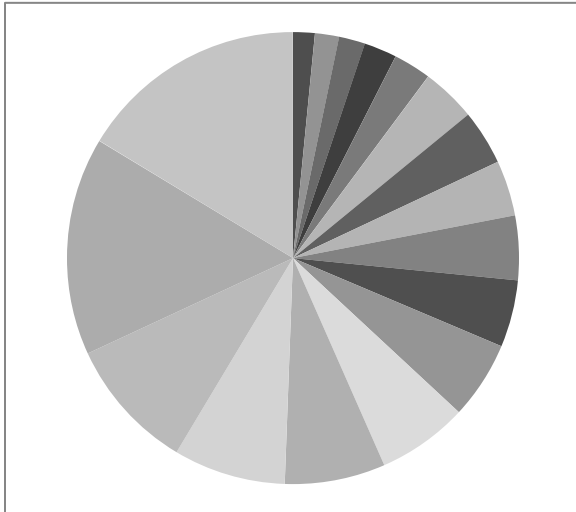
25% equal allocation and 75% allocation based on landings 2006-2010

This assumes that the ACL is 625,000 lbs ww [and the longline ACL is 454,688 lbs]

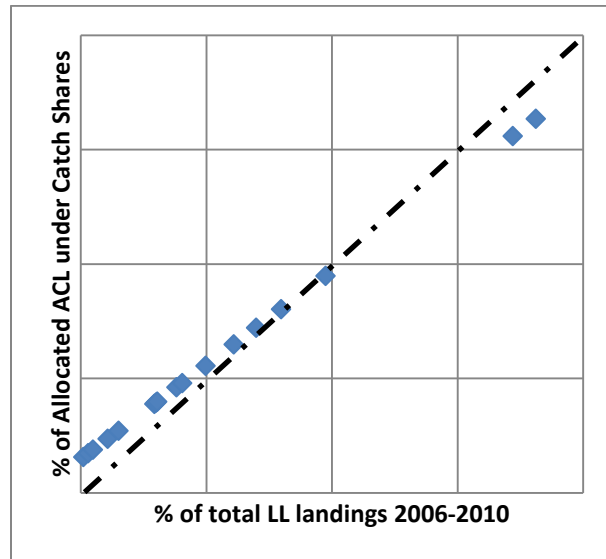
Eligibility: **any landings in at least two years between 2006-2010** (17 permits) - everyone gets at least 1.5% of shares equivalent to **6,687 lbs** based on a longline ACL of 454,688 lbs.

86.7% Florida

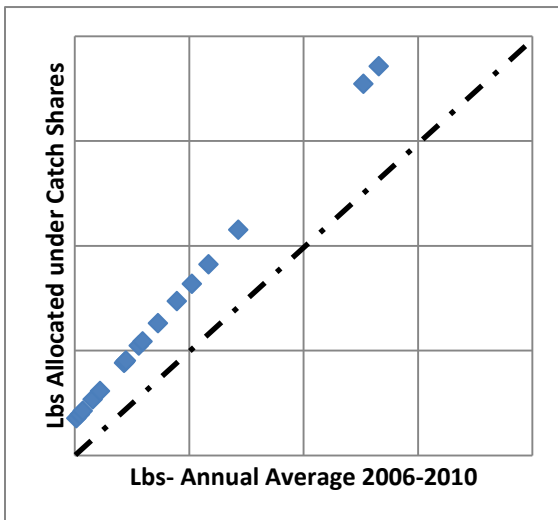
13.3% South Carolina



Individuals



Above line = % ACL allocated > % of all LL landings
 Below line = % ACL allocated < % of all LL landings



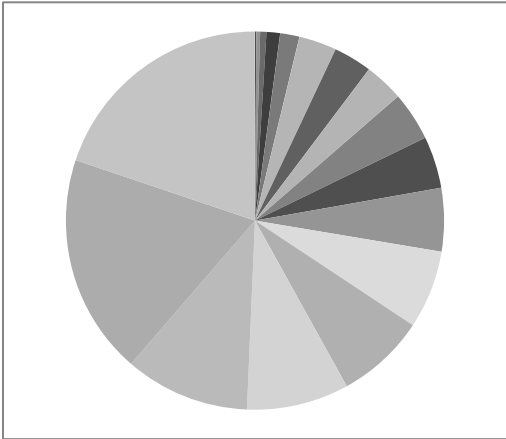
Above line = allocation > 2006-2010 average
 Below line = allocation < 2006-2010 average

Note:
 Average longline landings from 2006-2010 is **392,066 lbs**.
 The value used as the longline ACL to calculate the allocations is **454,688 lbs**.

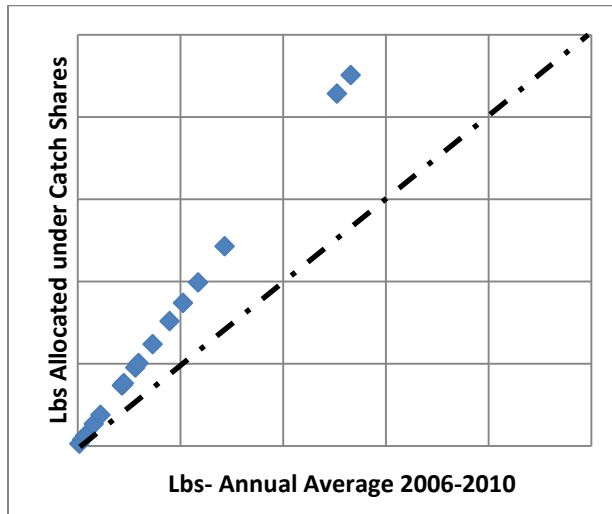
Comparison of allocation formulas

Eligibility: any landings in at least two years between 2006-2010 (17 permits)

Landings history 2006-2010

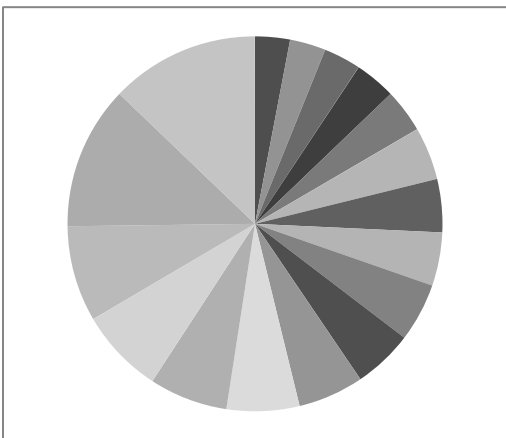


Individuals

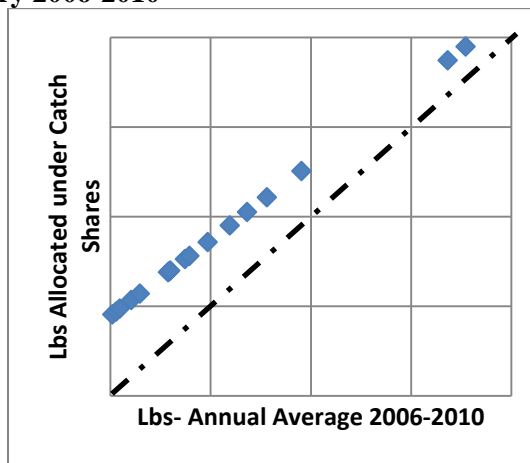


Above the line = lbs allocated > annual average

50% equal allocation and 50% landings history 2006-2010

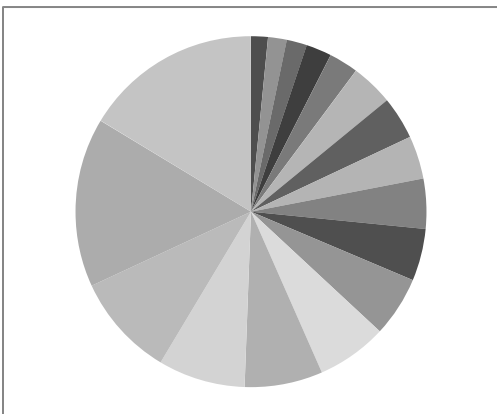


Individuals

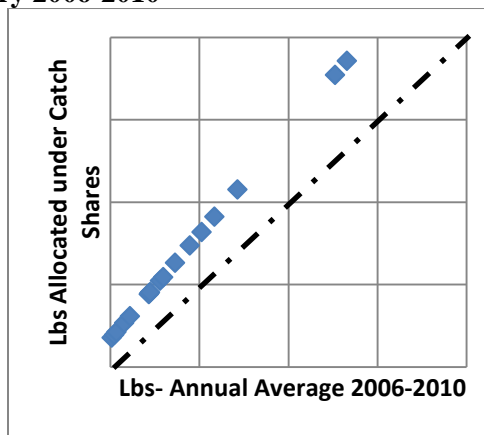


Above the line = lbs allocated > annual average

25% equal allocation and 75% landings history 2006-2010



Individuals



Above the line = lbs allocated > annual average